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Environmental Loans E-Bulletin

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Upcoming Deadlines**September 30th:**

- Deadline for SFY 15 CWFP PF applications

December 31st:

- Deadline for SFY 16 CWFP and SDWLP ITAs and PERFs

SFY 2015 SDWLP Draft Funding List Available

The SFY 2015 SDWLP Draft Funding List is available on our website, dnr.wi.gov/Aid/documents/EIF/news/SDWLP_SF2015_DRAFT_Funding_List.pdf.

The DNR received 24 complete SFY 2015 SDWLP Applications by the June 30th deadline for projects seeking \$41,458,267 in funding. *[Note: The Department determined 2 project applications were incomplete and will not be included on the SDWLP draft/final Funding List.]*

There is \$4,627,500 available for Principal Forgiveness (PF) which will extend to the top 12 scoring projects. The maximum PF is \$500,000 per municipality. The City of Bayfield and City of Sheboygan are each allocated an additional 10% of PF since they are both Green Tier Legacy Communities. The SDW Act requires that 15% of the funds available be allocated to systems serving a population less than 10,000. This draft funding list allocates 42% of the available funds (71% of allocated funds) to small systems.

We will finalize the Funding List when DNR receives the Federal Fiscal Year (FFY) 2014 Capitalization Grant from the U.S. Environmental Protection Agency (EPA), anticipated by the end of September. The SFY 2015 Final Funding List will show the allocation of loan and PF dollars for each project.

Staff will contact municipalities after the final list is published to confirm estimated bidding dates so we can adjust workloads amongst DNR project managers, as necessary. **Remember that SFY 2015 SDWLP loans must be closed by June 30, 2015.**

Since we did not receive sufficient applications to use all of the SDWLP funding available for loan awards, applications seeking loan-only funding (loan funding without principal forgiveness) will continue to be accepted by the DNR until March 31, 2015. All applications requesting funding must have a valid SFY 2015 Intent to Apply form (ITA). DNR received 189 ITAs, totaling \$264,893,577 for the SDWLP by the December 31st, 2014 deadline.

Questions regarding the Safe Drinking Water Loan Program and the Funding List can be directed to Mary E. Wagner at 608-267-7475 or marye.wagner@wisconsin.gov.



SDW Intended Use Plan (IUP) Available and Public Comment Period

The Federal Fiscal Year (FFY) 2014 Safe Drinking Water Loan Program (SDWLP) IUP can be found on our website: dnr.wi.gov/Aid/LoanNews.html#tabx2. The two-week public comment period for the SDWLP IUP begins on Tuesday, August 12, 2014. Comments are due by Monday, August 25, 2014. E-mail comments are encouraged.

E-mail comments should be sent to rebecca.scott@wisconsin.gov. Mailed comments should be sent to Becky Scott, WDNR - CF/2, PO BOX 7921, MADISON, WI 53707-7921. Faxed comments should be sent to the attention of Becky Scott at 608-267-0496. E-mail comments are encouraged.

Each year, the EIF is required by EPA to publish an IUP for each program to identify: use of Capitalization Grant monies by the state Clean Water and Drinking Water Revolving Loan Funds; required

state matching funds; other funds available in the State Revolving Funds (SRF); how these funds support the goals of the federal Acts; and allocation methodology for principal forgiveness funds.

The IUPs are part of Wisconsin's capitalization grant application packages for FFY 2014 funds. These EPA capitalization grants will be used for funding during SFY 2015. After EPA awards Wisconsin's capitalization grants, the EIF program uses those grants, the state matching funds, and other money available in the SRFs to provide financial assistance for clean water and drinking water projects as well as fund programmatic drinking water set-asides.

Direct questions or comments about Intended Use Plans to Becky Scott at 608-267-7584 or rebecca.scott@wisconsin.gov.



A
**View
from the
Privy**

You would think that being a submarine captain would pay well,
but I hear they can't keep their heads above water.

Fees Waived for Chp 30 Permits

Projects that are funded in whole or in part by any federal or state agency are exempt from the fees charged for Chapter 30 permits. This means that a municipality receiving a subsidized loan from the Clean Water Fund Program (CWFP) or the Safe Drinking Water Loan Program (SDWLP) may have the permit fee waived or reimbursed for any Chapter 30 permit required for its construction project. Projects funded with a CDBG or financing through USDA Rural Development are also exempt.

You should find out if you need a Chapter 30 waterway permit from the DNR if your construction project is located near a waterway. Make sure you

determine whether or not you need a Chapter 30 Permit **before** beginning construction. Visit DNR's Waterways and Wetlands web page, dnr.wi.gov/topic/waterways/, for more information about whether you need a Chapter 30 waterway permit for your project. Remember to let the permit staff know that you are receiving state/federal funds for your project at the time you are submitting an application for a permit to dredge, place structures, or conduct similar activities in or adjacent to navigable waters.

For more information, contact Jeanne Cargill at jeanne.cargill@wisconsin.gov or 608-267-7587.

Policy Change for SDWLP on Reallocating Unused Principal Forgiveness

Starting with State Fiscal Year (SFY) 2015, unused Principal Forgiveness (PF) in the SDWLP will roll over to the following SFY's funding list **rather than** being rolled down to projects that score below the last PF allocation on the current year's funding list. This change has been incorporated into the SDWLP Intended Use Plan (IUP) which is currently posted for public comment. If you wish to comment on this policy or anything else in the IUP, please follow the directions given for submitting comments on the IUP (see page 2).

Starting this SFY (2015), projects that score below the fundable range for PF on the SDWLP Final Funding List will **not** receive the unused or "trickle down" PF. The last municipality to be allocated any amount PF will be the cut-off point for PF for that specific SFY's Final Funding List. If there is unused PF from higher scoring projects on that funding list, the last listed municipality may be able to receive up to the full allotment of PF for which it is eligible. If any PF remains after the last listed municipality receives its full complement of funds, the unused PF will be rolled over to the following SFY's funding list. PF in the CWFP will still be allowed to roll down the list or be moved forward to the next SFY's list, at the department's discretion.

This policy change will address the programmatic and administrative issues resulting from our current process. Some municipalities outside the initial PF range would wait to see if any funding would "trickle down" to their projects, delaying loan closings. In addition, some municipalities that did not delay their closings felt slighted by the fact that they missed out on PF that would have otherwise been awarded to them. In addition, delayed awards of PF also meant that some projects weren't far enough along to make the statutory closing deadline and considerable time was spent addressing these concerns. If you have comments related to this change, please submit them as comments on the SDWLP IUP, as described above (see page 2).

Question & Answer

WWRDA
*the new
federal law*

Water Resources
Reform and
Development Act

WWRDA only presents the option of a 30-year loan and does not mandate it.

State statutes specify a loan "shall be for no longer than 20 years".

The Environmental Improvement Fund will not be offering 30-year loans **at this time**. In the future, we may consider a 30-year loan if the design life of a project is thirty years or more.

Status Update: ITAs Online and PERFs by Mail

Currently, our new Intent to Apply form (ITA) on-line system is being tested externally. Once we complete our testing and move the on-line system to the production environment for actual ITA submittals, we'll send out an E-bulletin and post links on our web page. We anticipate having the on-line system for ITA submittal go live for everyone early this fall. The system is set to allow Consulting Engineers to enter and save ITAs.

For this fall, PERFs need to be submitted through the mail. We expect to have both the ITA and PERF on-line submittal processes in place and working for everyone by summer of 2015. We will continue to keep you informed of our progress with this activity as we move forward. If you have comments or questions about submitting ITAs and PERFs online, please contact Becky Mesdjian at rebecca.mesdjian@wisconsin.gov or 608-266-5888.

UAIS - Certification Form and Requesting Waivers

A new certification form for the Use of American Iron and Steel (UAIS) is now posted on the EIF website at dnr.wi.gov/Aid/documents/EIF/Guide/UAISCert.pdf. This is a mandatory form for all projects which should be completed after a project has been bid. The form must be completed even if it is determined that your project is exempt from the UAIS requirements.

In the FFY 2014 Congressional Appropriation for the CWSRF and the DWSRF, Congress included a provision requiring the use of American iron and steel. This requirement applies to any project where the plans and specifications were approved after January 16, 2014, except as noted below. For more info on this requirement, please see EPA's website: water.epa.gov/grants_funding/aisrequirement.cfm. The recently passed Water Resource Reform and Development Act (WRRDA) made this requirement permanent for the CWSRF.

The legislation permits EPA to issue waivers for a case or category of cases where EPA finds (1) that applying these requirements would be inconsistent with the public interest; (2) iron and steel products are not produced in the U.S. in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron and steel products produced in the U.S. will increase the cost of the overall project by more than 25%.

Two national public interest waivers to this requirement have been approved. The first is a De Minimis Waiver for incidental components of eligible water infrastructure projects. The waiver states that "Funds used for such de minimis incidental components cumulatively may comprise no more than a total of 5 percent of the total cost of the materials

used in and incorporated into a project; the cost of an individual item may not exceed 1 percent of the total cost of the materials used in and incorporated into a project." The second waiver is a Plan and Specifications Waiver. This waiver is for projects which had engineering plans and specifications submitted to the appropriate state agency prior to and including January 17, 2014, and approved between and including January 17 and April 15, 2014 (the date the waiver was signed).

If you have a project which you believe would qualify for a waiver, **you must submit your waiver request through the State SRF program** where it will be reviewed for completeness before being forwarded on to EPA. A checklist of required documentation applicable to each type of waiver request is included as Appendix 1 of the EPA guidance document which can be found at the link given above.

Once you have compiled the appropriate documentation for your request you should e-mail it to: usironsteelwaiver@wisconsin.gov. Please be sure to include contact information in case we have any questions. The request will be reviewed for completeness and then forwarded on to EPA. EPA Headquarters will publish the request on their website for 15 days to give the public the opportunity to review the request and provide informal comments. If the waiver request is approved, EPA will notify the State SRF program and post the approved waiver on the EPA UAIS website.

If you have any questions on the UAIS requirements, the certification form, or the waiver process, please contact Becky Scott at 608-267-7584 or rebecca.scott@wisconsin.gov.



0% Interest Rate Loan for Mercury Cleanup Costs

As an incentive to protect public health and the environment, the WI DNR Environmental Improvement Fund is offering 0% interest rate loans for mercury cleanup costs associated with trickling filters at wastewater treatment facilities through the State Revolving Clean Water Fund Pilot Project Program.

We encourage proactive detection of mercury contamination **before** doing repairs and upgrades to primary and secondary wastewater treatment facilities to avoid mercury's ill-timed discovery.

For more info about the mercury cleanup pilot project program, contact Robin Schmidt at 608-266-3915 or robin.schmidt@wisconsin.gov.



Got Mercury?

Several hundred pounds of mercury may be inside the center columns of trickling filters and pivot arm bearings. Even after repairing or upgrading a wastewater treatment plant's (WWTP) trickling filter there may still be mercury in pipelines and tanks.

Thirty years ago, companies discontinued manufacturing and selling trickling filters with mercury bearings because of documented instances of mercury contamination. Abandoned or replaced trickling filters, which are sitting unused, may be spreading mercury into other parts of the WWTP.

A new brochure on mercury at WWTPs, including information about the 0% loan program for mercury cleanups at wastewater treatment facilities, will be available soon from the DNR.

If you have any questions about spills at your facility, contact your regional DNR Spill Coordinator for assistance:

Northern Region 715-365-8959

Southern Region 608-275-3303

Northeast Region 920-303-5410

Southeast Region 414-263-8685

West Central Region 715-839-1604

Report spills immediately to Wisconsin's 24-hour spill emergency hotline, 1-800-943-0003. Visit dnr.wi.gov/topic/Spills/Mercury.html.

Health Concerns

Questions about the health impacts of mercury can be directed to the Department of Health Services, Bureau of Environmental and Occupational Health at 608-266-1120. Visit dhs.wisconsin.gov/eh/mercury/resources.htm.

Please Remember

If you need to send us a document that is more than 25 pages long, please print it out and snail mail it to the department instead of sending it by fax or email.

Be Aware

Large emails and files, such as PDF attachments, take up much of our email inbox space. Our inboxes have limited capacity. Once an inbox is full, no more emails can be received until items are moved out.

If we are out of the office on vacation, we are unlikely to check our inboxes and large email files can really back things up!

Get Faster Turn-Around For Your Project

Often, we have to ask to have emailed document files re-sent as printed documents through the U.S. mail. This wastes valuable project time!

If a coworker is helping out while another is out of the office, only snail mail is being checked.

Mailing Address

WI DNR
BUREAU OF CFA - CF/2
101 S WEBSTER ST
PO BOX 7921
MADISON, WI 53707-7921

Direct Purchases

If your municipality is making a direct purchase for a Clean Water Fund Program (CWFP) or Safe Drinking Water Loan Program (SDWLP) construction project, it is advisable to get verbal approval from the DNR Construction Management Engineer (CME) **before** procuring the item.

Depending on the cost of the item and whether equipment installation is part of the contract, some procurements may have to meet bidding, Davis-Bacon wage rate, or Use of American Iron & Steel requirements. If procurement requirements are not met, the CWFP or SDWLP will not be able to reimburse the costs.

The DNR CME must review and approve all construction-related direct purchases prior to reimbursement from the CWFP or SDWLP. The CME will determine whether the direct purchase is eligible, necessary and properly procured.

After procuring the direct purchase, provide the CME with a copy of the vendor's invoice, procurement method used, and other applicable documentation. When the CME determines eligibility and gives approval then the municipality may request reimbursement on the next disbursement form. This will insure timely disbursement of the cost to the municipality.

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**Remember to contact your
Regional CME prior to your
pre-construction meeting.**

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The *Environmental Loans E-Bulletin* is written by staff in DNR's Environmental Loans Section to provide up-to-date information on both the Clean Water Fund Program and the Safe Drinking Water Loan Program. It is sent out periodically to alert subscribers of the latest news, updates, and upcoming deadlines; to highlight program changes; and to provide assistance on topics that need clarification.